## **REMARKS**

This Response is submitted in reply to the Final Office Action dated May 21, 2007. Neither the specification nor the claims have been amended.

No fee is due in connection with this Response. However, please charge deposit account number 02-1818 for any fees which may be due in connection with this Response.

The Office Action rejected Claims 1 to 7, 9 to 15, 17 to 24, 26, 27, 29 to 34, 36 to 43, 45 to 54 and 56 to 67 under 35 U.S.C. §102(e) as being anticipated by U.S. Published Patent Application No. 2003/0045348 to Palmer et al. ("Palmer").

Palmer discloses a gaming device which enables a player to pick one of a plurality of masked selections to reveal an initial award offer. After establishing an initial award offer, the gaming device displays a value display which includes a plurality of points and a plurality of associated offer modifiers. The offer modifiers are not new award offers, but rather are used to modify the initially selected award offer to produce a new or modified award offer. The gaming device enables the player to pick one of a plurality of masked selections to reveal a number of points associated with the picked selection. The gaming device modifies the initial or previous award offer utilizing the offer modifier associated with the revealed number of points. The gaming device enables the player to accept the modified award offer or reject it and continue to play the game.

Independent Claims 1, 10, 18, 29, 37, 48, 56, 57, 58 and 62 are each generally directed to a gaming device including, amongst other elements, a selection of at least one of a plurality of component number modifiers, a change of the state/selection of a number of selected offer components, wherein the number of changed offer components is at least one and based on the value associated with the selected component number modifier, and a determination of a subsequent offer based on the award values of all of the awards associated with the currently selected offer components.

The Office Action states that Palmer discloses the processor selecting an initial award offer, therefore activating the value for the player. The Office Action further

states that if the player rejects the offer, the game continues by making the player choose another masked point value or component number modifier from the selection boxes that will further adjust the previous award.

Applicants respectfully disagree and submit that Palmer does not disclose any component number modifiers. That is, Palmer does not disclose selecting a component number modifier wherein the value of the selected component number modifier relates to the number of offer components (i.e., how many offer components) which will change state to form the subsequent offer. On the other hand, the gaming devices of independent Claims 1, 10, 18, 29, 37, 48, 56, 57, 58 and 62 each generally include a selection of at least one of a plurality of component number modifiers, a change of the state/selection of a number of selected offer components, wherein the number of changed offer components is at least one and based on the value associated with the selected component number modifier, and a determination of a subsequent offer based on the award values of all of the awards associated with the currently selected offer components.

Applicants further submit that <u>if</u> Palmer is interpreted such that the value of the first picked selection is activated, <u>then</u> Palmer does not disclose changing the state of at least one of the plurality of offer components, wherein the number of offer components changing state is based on the value associated with the selected component number modifier. Each "point value" in Palmer is associated with a value or amount which modifies the amount or value of the previous offer. That is, each "point value" in Palmer does not determine the number of offer components which will change state to form the subsequent offer. In other words, each "point value" in Palmer is not a component number modifier which generally determines the number of offer components which will change state associated with the formation of the subsequent offer. On the other hand, each component number modifier in the gaming device of independent Claim 1 relates to the number of offer components (i.e., how many offer components) will change state to form the subsequent offer. Accordingly, for at least these reasons, Applicants respectfully submit that independent Claims 1, 10, 18, 29, 37, 48, 56, 57, 58 and 62 are patentably distinguished over Palmer and in condition for allowance.

Claims 2 to 7, 9, 11 to 15, 17, 19 to 24, 26, 27, 30 to 34, 36, 38 to 43, 45 to 47, 49 to 54, 59 to 61 and 63 to 65 depend directly from independent Claims 1, 10, 18, 29, 37, 48, 56, 57, 58 and 62 are also allowable for the reasons given with respect to Claims 1, 10, 18, 29, 37, 48, 56, 57, 58 and 62 and because of the additional features recited in these claims.

Independent Claims 66 and 67 are each generally directed to a gaming device including, amongst other elements, activating at least one offer component from the plurality of offer components, forming an offer based on the award values of all of the awards associated with the activated offer components and if the player rejects the offer, determining a number of activated offer components, changing the state of the determined number of activated offer components, and forming a subsequent offer based on the award values of all of the awards associated with the currently activated offer components.

Applicants respectfully submit that Palmer does not disclose changing the state of a determined number of activated offer components. As described above, each "point value" in Palmer does not determine the number of offer components which will change state to form the subsequent offer. On the other hand, the gaming devices of independent Claims 66 and 67 each include changing the state of a determined number of activated offer components. Accordingly, for at least these reasons, Applicants respectfully submit that independent Claims 66 and 67 are patentably distinguished over Palmer and in condition for allowance.

The Office Action rejected Claims 8, 16, 25, 28, 35, 44 and 55 under 35 U.S.C. §103(a) as being obvious over Palmer in view of one of ordinary skill in the art.

As indicated in the Office Action, this rejection may be overcome by showing that Palmer is disqualified as prior art under 35 U.S.C. § 103(c). Applicants submit that at the time the present invention was conceived, the subject matter of Palmer and the present invention were both subject to an obligation of assignment to IGT, a Nevada corporation. Accordingly, Applicants respectfully submit that Palmer is disqualified as prior art under 35 U.S.C. § 103(c).

The present application is assigned to IGT. The assignment from Dov L. Randall and Peter Gerrard to IGT was recorded January 9, 2004. A copy of the Notice of Recordation and the recorded assignment to IGT for the present application are enclosed herewith.

Palmer is also assigned to IGT. The assignment from Gregg J. Palmer, Joseph E. Kaminkow and Anthony J. Baerlocher to IGT was recorded on August 31, 2001. A copy of the Notice of Recordation and the recorded assignment to IGT for Palmer are enclosed herewith. Accordingly, Applicants respectfully submit that under § 103(c), Palmer is not prior art to the present application, the rejections under 35 U.S.C. §103(a) have been overcome and Claims 8, 16, 25, 28, 35, 44 and 55 are in condition for allowance.

An earnest endeavor has been made to place this application in condition for formal allowance and in the absence of more pertinent art such action is courteously solicited. If the Examiner has any questions regarding this Response, Applicants respectfully requests that the Examiner contact the undersigned.

Respectfully submitted,

BELL, BOYD & LLOYD LLP

BY

Adam H. Masia Reg. No. 35,602

Customer No. 29,159

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